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C O N F I D E N T I A L SECTION 01 OF 02 ABUJA 001107

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E.O. 12958: DECL: 06/26/2008
TAGS: [EPET](#) [ENRG](#) [ELAB](#) [PINS](#) [PGOV](#) [NI](#)
SUBJECT: NIGERIA: NLC THREATENS GENERAL STRIKE OVER FUEL
PRICE HIKE

REF: ABUJA 01091

Classified by Ambassador Howard F. Jeter; Reasons 1.5 (B) and
(D)

1. (C) SUMMARY: The Nigeria Labour Congress (NLC) called on June 24 for a nationwide strike beginning Monday June 30 to protest the GON's fuel price hike. Some in the NLC leadership were lukewarm about a strike; however, the decision was no surprise. The Union's long standing and perhaps its most well known position on any public policy was to oppose any fuel price hike on which it was not consulted. In raising fuel prices last week, the GON bypassed the NLC. Since the GON ignored labor, the Union had no choice but to strike, according to labor officials. The anticipated strike may pose a compound challenge for the Government. Not only must it contend with the NLC and public anger over the price hike, the Government must also expect that opposition politicians, still smarting over the April elections, will try to exploit the situation.

Sporadic Protests

2. (C) According to press reports and Embassy sources, last week's fuel price hike has generated localized protests and fistcuffs in a few cities. Students in Ibadan, the Yoruba southwest and Obasanjo's political backyard, blocked intersections, burned tires and shouted anti-Obasanjo slogans. In Kano, there were scuffles in fuel queues. There was also a small peaceful protest in Abuja on June 23. Transportation workers have vowed to join in any labor action to protest the hike. The National Association of Road Transport Owners threatened to halt all long distance bus operations in the country until fuel prices are lowered.

Opposition Figures Welcome A Strike

3. (C) Opposition figures are enamored with prospects of a national strike. They will hope to ride labor's coattails to exploit the strike for their own objectives. Having called for mass protest against the Government but not finding a way to stoke it, these politicians believe the price increase has provided a perfect filip. Obasanjo and his allies are not unaware of the risks. They likely will employ both the carrot and stick to douse labor's ardor and to keep their political opposition fragmented and off-balance.

GON VS. NLC--Round Three

4. (C) When the GON raised fuel prices in June 2000 and January 2002, it also refused to accede to labor's demands to rescind or lower the price increase. In 2000, the NLC successfully orchestrated a strike, causing government to soften the price increase. In 2002, the strike fizzled quickly; government refused to reduce the new price.

Comment

5. (C) Again, the NLC has called for a strike due to a gas price increase. This puts the NLC leadership on the line. Already this year, the NLC has been unpersuasive in getting the GON to honor a 12.5% wage increases as agreed upon early last year. Some NLC members have grumbled that the Congress' leadership did not press hard enough for the wage increase. They fear NLC President Adams Oshiomole has gotten too cozy with President Obasanjo. Now that the strike is on, they

will be watching closely to see who--Oshiomole or Obasanjo--blinks first. If it is Oshiomole, they will cry betrayal. However, that would be unfair to the labor stalwart. Labor as a whole does not seem enthusiastic about the strike. They feel compelled to take it because the Government ignored the NLC when it announced the price hike.

16. (C) The NLC is probably delaying the strike until Monday to allow public sentiment to foment, in hopes that the GON be more amenable to negotiation. Additionally, the NLC has traditionally struck on Mondays, because people have been more likely to stay home, in effect, extending their weekends. It seems highly unlikely that the GON will rescind or reduce the increase by Monday. Thus, the NLC will likely strike. There will be popular support but to what extent is hard to divine. If the strike gains traction, Obasanjo would be faced with the first crisis of his Administration without a Cabinet, including a Minister of Labor, in place. This might not only be Obasanjo's third showdown with labor over fuel prices (2000 and 2002 being the other). This might be the first test of the tensile strength of Obasanjo's second term mandate. END COMMENT.
JETER